GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:3817
ANSWERED ON:21.04.2008
CBI INVESTIGATION IN DEFENCE DEALS
Singh Shri Prabhunath

Will the Minister of DEFENCE be pleased to state:

(a) whether Central Bureau of Investigation (CBI) has completed its investigation into murky defence deals concerning Germany HDW submarine deal and the Russian aircraft carrier Admiral Gorshkov contract;

(b) if so, the findings thereof and the reaction of the Government thereto; and

(c) the steps taken to check corruption in defence deals?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO.3817 FOR ANSWER ON 21.4.2008

As per available information, CBI has not investigated into Defence deal concerning procurement of Russian Aircraft Carrier ex-Admiral Gorshkov. CBI had conducted investigation into HDW submarine case and their closure report was accepted by the Special Judge, Patiala House Court, New Delhi on 4th March 2005.

The objective of Defence Procurement Procedure is to ensure the expeditious procurement of approved requirements of the Armed Forces in terms of capabilities sought within time frames prescribed by optimally utilizing allocated budgetary resources. While achieving this objective, these procedures would demonstrate the highest degree of probity and public accountability, transparency in operations, free competition and impartiality. The provisions incorporated in Defence Procurement Procedures for achieving this objective include;
(i) An 'Integrity Pact' between the Government department and the bidder for all contracts above Rs.100 crores;
(ii) Dealing directly with Original Equipment Manufacturers (OEM) or Authorised vendors or Government Sponsored Export Agencies (applicable in case of countries where domestic laws do not permit direct export by OEMs);
(iii) Major decisions in the acquisition process being taken in a 'Collegiate' manner;
(iv) Enhanced transparency in the conduct of field trials;
(v) Pre-bid meetings with vendors;
(vi) Prohibiting the use of undue influence by the seller for obtaining any contract with the Government;
(vii) Prohibiting the engagement of any individual or firm to recommend to the Government the award of a contract to the seller, and the payment of any amount in respect of any such recommendation.